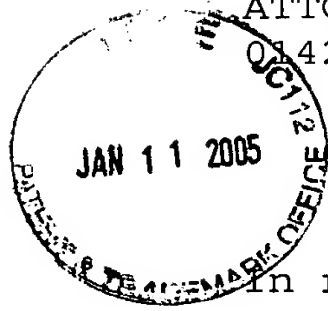


01/12/05
ATTORNEY DOCKET NO.
014208.1388 (70-00-005)

AF
PATENT APPLICATION
09/800,535



IN THE UNITED STATES PATENT AND TRADEMARK OFFICE

In re Application of: Gavin A. Grounds
Serial No.: 09/800,535
Filed: March 6, 2001
Group No.: 3625
Examiner: Yogesh C. Garg
Title: METHOD AND APPARATUS FOR PROCESSING
FINANCIAL TRANSACTIONS

Mail Stop Appeal Brief - Patents
Commissioner for Patents
PO Box 1450
Alexandria, VA 22313-1450

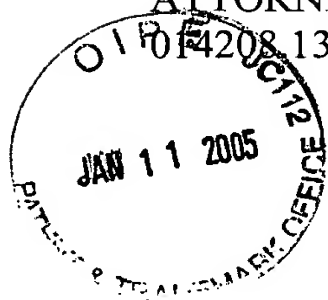
Dear Sir:

CERTIFICATE OF MAILING BY EXPRESS MAIL

I hereby certify that the enclosed Reply Brief (7 pages), Baker Botts return postcard (1 postcard), and this Certificate of Mailing are being deposited with the United States Postal Service "Express Mail Post Office to Addressee" service under 37 C.F.R. § 1.10 on this 11th day of January 2005, addressed to the Commissioner for Patents, PO Box 1450, Alexandria, VA 22313-1450.

Willie Jiles
Willie Jiles

Express Mail Receipt
No. EV 323508032 US



**In the United States Patent and Trademark Office
on Appeal from the Examiner to the Board
of Patent Appeals and Interferences**

In re Application of: Gavin A. Grounds
Serial No.: 09/800,535
Filed: March 6, 2001
Group No.: 3625
Examiner: Yogesh C. Garg
Title: METHOD AND APPARATUS FOR PROCESSING
FINANCIAL TRANSACTIONS

MAIL STOP APPEAL BRIEF - PATENTS

Commissioner for Patents
P.O. Box 1450
Alexandria, Virginia 22313-1450

Dear Sir:

REPLY BRIEF

Pursuant to 37 C.F.R. § 1.193, Appellant respectfully files this Reply Brief in response to the Examiner's Answer mailed November 17, 2004.

Appellant filed an Appeal Brief on September 16, 2004, explaining clearly and in detail why the final rejection of Claims 1-2, 4-6, 8-46, 48, 50, and 52-59 was improper. First, the references upon which the Examiner relies (Weber and Ronen) do not disclose, teach, or suggest each and every limitation of Appellant's claims. Further, in making the proposed *Ronen-Weber* combination, the Examiner improperly reconstructs the invention in hindsight. As explained in more detail below, the Examiner's final rejection of the claims under appeal cannot be properly maintained. Appellant respectfully requests that the Board reverse these final rejections and instruct the Examiner to issue a Notice of Allowance of Claims 1-2, 4-6, 8-46, 48, 50, and 52-59.

A. The Examiner misstates Appellant's arguments and incorrectly asserts that the references of record disclose the features of the claims.

In the Examiner's Answer, the Examiner has repeatedly stated that "the features upon which Appellant relies (i.e., independent Claim 1 recites an invention process which handles authorization of a transaction differently based upon whether a micro-payment is involved . . .) are not recited in the rejected claim(s)." (Examiner's Answer, pages 15 and 18-19). The Examiner further states:

Claim 1 recites that a determination is made if the financial transaction involves a micro-payment and having made that determination the system stores the information for future use and generates a message indicating authorization of the financial transaction. Claim 1 does not recite that the authorization process is handled differently and how differently in comparison to some standard or another existing authorization process.

(Examiner's Answer, pages 15-16 and 19). In making these statements, the Examiner has mischaracterized the elements of Appellant's Claim 1.

Specifically, the Examiner is not giving credence to each element of Appellant's Claim 1. The M.P.E.P. provides that "[a]ll words in a claim must be considered in judging the patentability of that claim against the prior art." M.P.E.P. § 2143.03 (citing *In re Wilson*, 424 F.2d 1382, 165 U.S.P.Q. 494, 496 (C.C.P.A. 1970)). Claim 1 clearly recites a processor that is operable to "determine whether the financial transaction involves a micro-payment,"

“generate a third message indicating authorization of the financial transaction if the financial transaction involves a micro-payment,” and “generate an authorization request if the financial transaction does not involve a micro-payment.” Thus, the claims clearly recite: 1) generating an authorization request if no micro-payment is involved and 2) generating a message indicating authorization of the transaction if a micro-payment is involved. An authorization request is generated where no micro-payment is involved, but the transaction is simply authorized if a micro-payment is involved. Accordingly, Appellant’s statements in Appellant’s Appeal Brief (and in Appellant’s Response to Final Office Action filed on June 8, 2004) that the *financial* transaction is handled in “two different ways, depending on whether or not it was determined that the transaction involves a micro-payment” is not a mischaracterization of Appellant’s claims.

With respect to Appellant’s substantive arguments distinguishing *Ronen* from Appellant’s claims, the Examiner “observes that the appellant has not discussed or provided arguments against the segments of Ronen’s patent . . . [which states that] ‘Charges for transactions of a certain type for less than a predetermined amount may be designated for billing to an identified telephone account associated with the user.’” (Examiner’s Answer, page 14). However, Appellant has not disputed that *Ronen* allows a user to designate different accounts for payment based upon the amount of the transaction. Rather, it has been Appellant’s position and continues to be Appellant’s position that the designations (based upon the amount of the transaction) are merely used to select the appropriate account to be authorized and charged. (Appeal Brief, page 11). As previously stated by Appellant, *Ronen* seems to handle all authorizations in the same manner for all transactions regardless of the amount of the transaction. (Appeal Brief, page 11). Instead, authorization is given based upon having a billing mechanism in place and having an entry in a database. There is no suggestion that any criteria concerning the amount of the payment has any effect on the authorization mechanism.

With respect to the example provided in *Ronen* that permits a transaction for information services of \$0.50 to be billed to a user’s telephone account, the Examiner states that “the very fact that the user is billed is indicative of authorization of the financial transaction.” (Examiner’s Answer, page 13). The Examiner further states that “if the

financial authorization is not authorized then the act of billing would not occur.” (Examiner’s Answer, page 13). Whether the Examiner’s deductions are necessarily correct, the Examiner’s statements (even if true) do not indicate that there is any difference in how *Ronen* handles authorization based upon the amount of the transaction. As previously stated by Appellant, *Ronen* seems to handle all authorizations in the same manner for all transactions regardless of the amount of the transaction. (Appeal Brief, page 11). Ultimate authorization of a transaction is not the issue. The way in which authorization occurs is the issue. The claimed invention makes a determination whether a micro-payment is involved and then handles authorization differently based upon whether a micro-payment is involved. *Ronen* appears to handle all authorizations the same.

For these reasons, Appellant’s position continues to be that *Ronen* does not disclose, teach, or suggest “determin[ing] whether the financial transaction involves a micro-payment” and “generat[ing] a third message indicating authorization of the financial transaction if the financial transaction involves a micro-payment.”

It is undisputed that *Ronen* does not disclose “generat[ing] an authorization request if the financial transaction does not involve a micro-payment.” Rather, the Examiner specifically relies upon *Weber* for disclosure of this element. However, it is the combination of features that Appellant has posited is not disclosed, taught, or suggested by the either reference cited by the Examiner. In the Examiner’s Answer, the Examiner states that *Weber* is not an issue with regard to the argued claim elements. (Examiner’s Answer, pages 14-15). To the contrary, Appellant believes that it is relevant that neither *Ronen* nor *Weber* discloses handling the authorization of a transaction differently based upon whether a micro-payment is involved since this is the combination of features recited by Appellant’s claim. Due to the alternative language of the claims, Appellant respectfully submits that the combination of features cannot be considered separately.

For at least these reasons, the final rejection of the claims under appeal cannot properly be maintained and should be reversed.

B. The Examiner improperly combines *Ronen* and *Weber* to reconstruct, in hindsight, Appellant's invention.

In the Appeal Brief (and throughout the prosecution of this case), Appellant explained why one of ordinary skill in the art would not be motivated to combine the references as proposed by the Examiner. (See Appeal Brief, page 13). Appellant acknowledges that the suggestion or motivation to combine may be found “either in the references themselves or in the knowledge generally available to one of ordinary skill in the art.” M.P.E.P. § 2143; *In re Fine*, 5 U.S.P.Q.2d 1596, 1600 (Fed. Cir. 1988). However, although evidence of a suggestion, teaching, or motivation to combine may flow from the prior art references themselves, the knowledge of one of ordinary skill in the art, or, in some cases, from the nature of the problem to be solved, the range of sources available does not diminish the requirement for actual evidence. The Examiner has made no findings as to the level of ordinary skill in the art or the nature of the problem to be solved. Rather, Appellant submits that in rejecting the claims, the Examiner merely attempts to identify the elements in a combination of references and give a conclusory statement that it would be obvious to combine the references.

The Examiner has stated that “any judgment on obviousness is in a sense necessarily a reconstruction based upon hindsight reasoning.” (Examiner's Answer, page 20). The Examiner has relied on *In re McLaughlin* for the proposition that “so long as it takes into account only knowledge which was within the level of ordinary skill at the time the claimed invention was made, and does not include knowledge gleaned only from the Appellant's disclosure, such a reconstruction is proper.” (Examiner's Answer, page 20). Appellant submits, however, that the Examiner has not taken into account only knowledge within the level of ordinary skill in the art at the time the invention was made. Rather, the Examiner has used a reference-by-reference, limitation-by-limitation analysis to combine the references to meet the limitations of Appellant's claims. Moreover, the Federal Circuit has determined that this approach is improper and that broad conclusory statements, such as the Examiner's, are not “evidence.” *In re Dembiczak*, 175 F.3d 994, 999 (Fed. Cir. 1999).¹ Where the Examiner does not explain the “specific understanding or principle within the knowledge of a skilled

¹ For a detailed discussion of *In re Dembiczak* and other recent Federal Circuit cases discussing the standard for combining references, see Appellant's Appeal Brief at pages 5-8.

artisan” that would motivate one with no knowledge of Appellant’s claimed invention to make the combination, the Federal Circuit infers that the Examiner selected the references with the assistance of hindsight.

For all the foregoing reasons, Appellant respectfully requests that the Board reverse these final rejections and instruct the Examiner to issue a Notice of Allowance of Appellant’s claims.

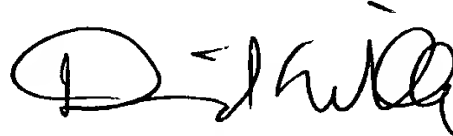
Conclusion

Appellant respectfully submits that the present invention as claimed is distinguishable over the cited art. Therefore, Appellant respectfully requests the Board of Patent Appeals and Interferences to reverse the final rejection of the Examiner and instruct the Examiner to issue a Notice of Allowance with respect to all pending claims.

Although Appellant believes no fees are due in connection with this Reply Brief, the Commissioner is hereby authorized to charge any fees or credit any overpayments to Deposit Account No. 05-0765 of Electronic Data Systems Corporation.

Respectfully submitted,

BAKER BOTTS L.L.P.
Attorneys for Appellant



David G. Wille
Reg. No. 38,363
(214)953-6595

Date: January 11, 2005

Correspondence Address:

Customer Number: **35005**